

Message Text

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ACTION EUR-12

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AMEMBASSY ALGIERS

AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BELGRADE

AMEMBASSY LISBON

AMEMBASSY MADRID

AMEMBASSY RABAT

AMEMBASSY TUNIS

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PLEASE PASS TO DEPARTMENT OF LABOR

E.O. 11652: NA

TAGS: SGEN, ELAB, EEC

SUBJECT: YOUTH UNEMPLOYMENT AND ILLEGAL MIGRANTS HIGHLIGHTS EC
STANDING COMMITTEE ON EMPLOYMENT MEETING

1. SUMMARY: ON JUNE 3 THE EC TRIPARTITE STANDING COMMITTEE
ON EMPLOYMENT MET FOR THE SECOND TIME SINCE BEING
RECONSTITUTED LAST FEBRUARY. FOCAL POINT OF THE ONE-DAY
MEETING WAS A REPORT BY EC VICE PRESIDENT HILLERY WHICH
REVEALED THAT YOUTH UNEMPLOYMENT IN THE COMMUNITY HAS
INCREASED BY 49 PERCENT IN THE LAST 12 MONTHS. HILLERY
ALSO OUTLINED COMMISSION RECOMMENDATIONS FOR COPING WITH
THE ESTIMATED 600,000 ILLEGAL IMMIGRANT WORKERS IN THE
COMMUNITY AND PRESENTED A COMMISSION PROPOSAL FOR UTILIZING
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SOCIAL FUND MONIES TO ASSIST THE COMMUNITY'S UNEMPLOYED

WORKERS WHO NOW NUMBER MORE THAN FOUR MILLION. THE LATTER PROPOSAL WAS ROUNDLY CRITICIZED BY THE SOCIAL PARTNERS (EMPLOYER AND TRADE UNION REPRESENTATIVES) AS BEING "UNCLEAR, IMPRECISE AND OF MARGINAL VALUE" FOR PURPOSES OF COMBATTING UNEMPLOYMENT. END SUMMARY.

2. YOUTH UNEMPLOYMENT : HILLERY PRESENTED A DETAILED REPORT INDICATING THAT YOUTH UNEMPLOYMENT IN THE COMMUNITY HAS REACHED "ALARMING PROPORTIONS." ACCORDING TO COMMISSION FIGURES, UNEMPLOYMENT AMONG YOUNG PEOPLE (15-25 AGE GROUP) HAS RISEN ABOUT 49 PERCENT COMPARED TO THE GENERAL UNEMPLOYMENT INCREASE OF 32 PERCENT OVER THE LAST 12 MONTHS. THE PERCENTAGES OF JOBLESS YOUTH IN THE MEMBER STATES WAS PRESENTED AS FOLLOWS: BELGIUM 34.3; DENMARK 47.2; FRANCE 45.8; GERMANY 28.4; ITALY 32.7; LUXEMBOURG 50; UNITED KINGDON 30.3; AND THE NETHERLANDS 34.2. THERE WAS NO FIGURE AVAILABLE FOR IRELAND. THE COMMISSION REPORT DESCRIBED THE PROBLEM OF YOUTH UNEMPLOYMENT AS POLITICAL AS WELL AS ECONOMICAL, POINTING TO THE "TRAUMATISM" CAUSED BY UNEMPLOYMENT AMONG YOUNG PEOPLE WHICH COULD "DISTORT THEIR ATTITUDES ABOUT WORK AND SOCIETY FOR MANY YEARS."

3. THE COMMISSION CALLED FOR JOB-CREATING ACTION IN BOTH THE PUBLIC AND PRIVATE SECTORS WHICH, THE COMMISSION REPORT SUGGESTS, COULD ALLEVIATE "CHRONIC" LABOR SHORTAGES IN EDUCATION, THE POLICE AND FIRE DEPARTMENTS, PUBLIC WORKS AND PARA-MEDICAL SERVICES. THE REPORT ALSO SUGGESTS THAT A LIMITED EXPANSION OF THE LABOR FORCE FINANCED BY PUBLIC FUNDS COULD BE ACHIEVED BY CARRYING OUT SOCIAL INFRASTRUCTURE PROJECTS SUCH AS PUBLIC PARKS, SPORTS AND RECREATIONAL FACILITIES, COMMUNITY CENTERS AND HOUSING. THE COMMISSION ALSO RECOMMENDED THE CREATION OF MEDIUM-TERM SERVICE JOBS FOR YOUTH BETWEEN THE TIME THEY LEAVE SCHOOL AND ENTER A PROFESSION. THIS EUROPEAN "COMMUNITY SERVICE" WOULD RESULT FROM SPECIAL VOCATIONAL TRAINING DESIGNED FOR TASKS SUCH AS THE CARE OF THE MENTALLY ILL AND AGED PEOPLE AND IN THE FIELD OF ENVIRONMENTAL PROTECTION.

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4. IN THE PRIVATE SECTOR THE COMMISSION ASKED FOR CONSIDERATION OF THE ESTABLISHMENT OF A "YOUTH EMPLOYMENT PREMIUM" TO BE PAID TO EMPLOYERS FOR EACH EMPLOYEE UNDER A CERTAIN AGE. THE ECONOMIC JUSTIFICATION FOR THIS PUBLIC ASSISTANCE WOULD BE THE NEED TO TRAIN YOUNG WORKERS. THE COMMISSION REPORT ALSO ADDRESSED ITSELF TO POSSIBLE WAYS OF DISTRIBUTING

AVAILABLE JOBS AMONG THE ACTIVE POPULATION E.E. EARLY RETIREMENT, REDUCTION OF THE WORKING WEEK, LONGER VACATIONS, AND MORE TIME OFF FOR WORKERS SEEKING FURTHER EDUCATION OR UNDERGOING MID-CAREER RETRAINING.

5. EMPLOYERS EXPRESSED CONCERN ABOUT THEIR BEARING THE LION'S SHARE OF THE FINANCIAL BURDEN INVOLVED IN THESE SCHEMES. THEY ALSO EMPHASIZED THE NEED TO PROVIDE BETTER VOCATIONAL TRAINING FOR YOUNG PEOPLE BUT MORE TAILORED TO THE NEEDS OF INDUSTRY AND CONCLUDED THAT IMPROVEMENT IN THE ECONOMIC SITUATION IN EUROPE WILL ABSORB A LARGE PROPORTION OF THE UNEMPLOYED. TRADE UNION REPRESENTATIVES EXPRESSED THEIR GENERAL SATISFACTION WITH THE REPORT BUT WONDERED IF THE COMMISSION'S PROPOSALS MEASURED UP TO THE GRAVITY OF THE PROBLEM. THEY ALSO CALLED FOR THE RAISING OF THE SCHOOL-LEAVING AGE TO 16.

6. ILLEGAL MIGRANTS. HILLERY REPORTED THAT THE COMMISSION IS IN THE PROCESS OF DRAWING UP A PROPOSAL FOR A BINDING COMMUNITY INSTRUMENT TO DEAL WITH CLANDESTINE IMMIGRATION INTO THE COMMUNITY FROM THIRD COUNTRIES. HE REPORTED THAT 10 PERCENT OF THE COMMUNITY'S MIGRANT WORKERS, ABOUT 600,000 ARE PRESENTLY WORKING ILLEGALLY DESPITE THE MEMBER STATES' BAN ON CLANDESTINE RECRUITMENT AND HIRING OF THIRD COUNTRY MIGRANTS. HILLERY RECOMMENDED ACTION IN THREE AREAS: WARNING WORKERS BEFORE THEY LEAVE THEIR RESPECTIVE COUNTRIES OF THE RISKS INVOLVED IN CLANDESTINITY; TAKING ACTION AGAINST "DEALERS" IN ILLEGAL LABOR; AND MAKING EMPLOYERS RESPECT THE REGULATIONS CONCERNING THE EMPLOYMENT OF NON-COMMUNITY WORKERS.

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7. HILLERY POINTED OUT THAT ILLEGAL IMMIGRATION ADVERSELY AFFECTS OVERALL COMMUNITY EMPLOYMENT POLICY BECAUSE THE MAJORITY OF THE MIGRANTS ARE UNTRAINED AND UNSUITED FOR INDUSTRIAL AND URBAN LIFE IN THE COMMUNITY. HE ALSO STATED THAT IT CAN CAUSE IMBALANCES IN THE ACHIEVEMENT OF THE DEVELOPMENT GOALS OF CERTAIN MEMBER STATES AND CONTRIBUTES TO "SOCIAL OVERCONCENTRATION." THE COMMISSION'S MIGRANT WORKER REPORT WAS PRAISED BY THE SOCIAL PARTNERS, BUT THE FRENCH MINISTRY OF LABOR'S SECRETARY OF STATE DIJOURD WARNED AGAINST THE RISKS OF EXCESSIVELY APPLYING ACTIONS REGULATING CLANDESTINE IMMIGRATION.

8. SOCIAL FUND AID. HILLERY PRESENTED A COMMISSION PAPER CONTAINING NEW PROPOSALS FOR "STIMULATING

VOCATIONAL TRAINING IN THE ENERGY SECTOR, AND IN CERTAIN INDUSTRIES PARTICULARLY AFFECTED BY THE PRESENT ECONOMIC CRISIS" I.E. AUTOMOBILES, CONSTRUCTION, TEXTILES, AND SOME SECTORS OF THE CHEMICAL INDUSTRY. UNDER THIS PROPOSAL, WHICH WOULD BE FINANCED BY THE EUROPEAN SOCIAL FUND, PRIORITY WOULD BE GIVEN TO WORKERS IN INDUSTRIES EXPERIENCING "STRUCTURAL PROBLEMS," TO WORKERS UNDER AGE 25, YOUNG WORKERS SEEKING THEIR FIRST JOBS AND TO WOMEN.

9. THE SOCIAL PARTNERS WERE PRACTICALLY UNANIMOUS IN REJECTING THIS RECOMMENDATION AND STRONGLY CRITICIZED THE COMMISSION FOR PRESENTING SUCH AN "UNCLEAR AND IMPRECISE" PROPOSAL. THEY ACCUSED THE COMMISSION OF BEING UNABLE TO PROVE BY FACTS AND FIGURES THAT THE PRIORITIES AS OUTLINED REQUIRE MORE SOCIAL FUND AID AND, FURTHER, THAT THE MEAGER AMOUNT AVAILABLE IN THE FUND (320 MILLION UA FOR 1975) WOULD HARDLY ENABLE THE LARGE-SCALE OPERATION REQUIRED. IT WAS ESTIMATED THAT AN ADDITIONAL 200-300 MILLION UA WOULD BE REQUIRED TO CARRY OUT THE COMMISSION'S PROPOSAL AND THAT CHANCES OF OBTAINING THIS AMOUNT, EVEN IF THE PROPOSAL WAS ACCEPTABLE, WOULD BE SLIM. THE EC COUNCIL OF MINISTERS (SOCIAL AFFAIRS) IS ALSO EXPECTED TO REVIEW THIS PROPOSAL AT ITS JUNE 17 MEETING.

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10. UNDER OTHER BUSINESS, THE STANDING COMMITTEE UNANIMOUSLY APPROVED A COMMISSION RECOMMENDATION CALLING FOR MEMBER STATES TO MAKE GREATER EFFORTS TO HARMONIZE EMPLOYMENT POLICIES AND PRACTICES. TRADE UNION REPRESENTATIVES AGAIN CALLED FOR A "SOCIAL SUMMIT" WHICH WOULD INVOLVE A MEETING BETWEEN THE SOCIAL PARTNERS, THE MINISTERS OF FINANCE AND MINISTERS OF LABOR OF THE NINE. THIS PROPOSAL HAS BEEN REJECTED BY THE FINANCE MINISTERS, AND EVEN SOME OF THE LABOR MINISTERS ARE OPPOSED TO WHAT ONE COMMISSION OFFICIAL REFERRED TO AS "A TIME AND MONEY WASTING EXTRAVAGANZA." NEVERTHELESS, THE TRADE UNION LEADERS ARE EXPECTED TO CONTINUE PRESSING FOR SUCH A MEETING AND PREDICT IT WILL BE HELD DURING THE ITALIAN PRESIDENCY. THE COMMISSION DECIDED TO DROP A DRAFT PROPOSAL TO CREATE PROVISIONS UNDER THE SOCIAL FUND FOR UNEMPLOYMENT INSURANCE SCHEMES PRIOR TO THE STANDING COMMITTEE MEETING. GREENWALD

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